

The vision is that twenty years into the **21<sup>st</sup>** Century, Louisiana **will have a vibrant, balanced economy**; a fully engaged, well-educated workforce; and a quality of life that places it among the **top ten states** in which to live, work, visit, and do business.

# IV

LOUISIANA VISION 2020



The challenge is that in too many ways, Louisiana continues to be plagued by an economy that lags behind in knowledge economy measures. The state is not generating the number of high quality jobs we need to raise living standards for all citizens.

We still have large pockets of chronic poverty, too many adults who are not in the workforce because they do not have the education and skills to compete, and too many young people dropping out of the educational process or underachieving in school.

While Louisiana's rich cultural heritage provides us with many reasons to live here, we do not rank among national leaders in quality of life indicators. Although we are making progress, we do not yet have the kind of business climate that will breed investment and innovation in an ever-changing global market. We do not yet have the research capacity, capital resources, or transportation and information infrastructures that will allow us to be truly competitive.

For **Louisiana: Vision 2020** to become a reality, every citizen, every business, every school, every agency, every branch of state and local government must see the vision, believe in the vision, and accept responsibility for achieving the vision.

**Louisiana: Vision 2020** is about continuing to reinvent Louisiana. To complete this reinvention of ourselves, we must embrace a 21st Century approach to economic development. We must face the realities of the global economy, the necessity of competitiveness, and the hard truth that our natural resources are no longer enough to sustain us. We must face the harder truth that anything less than the best education possible for every man, woman, and child is unacceptable.



## Goal One: The Learning Experience



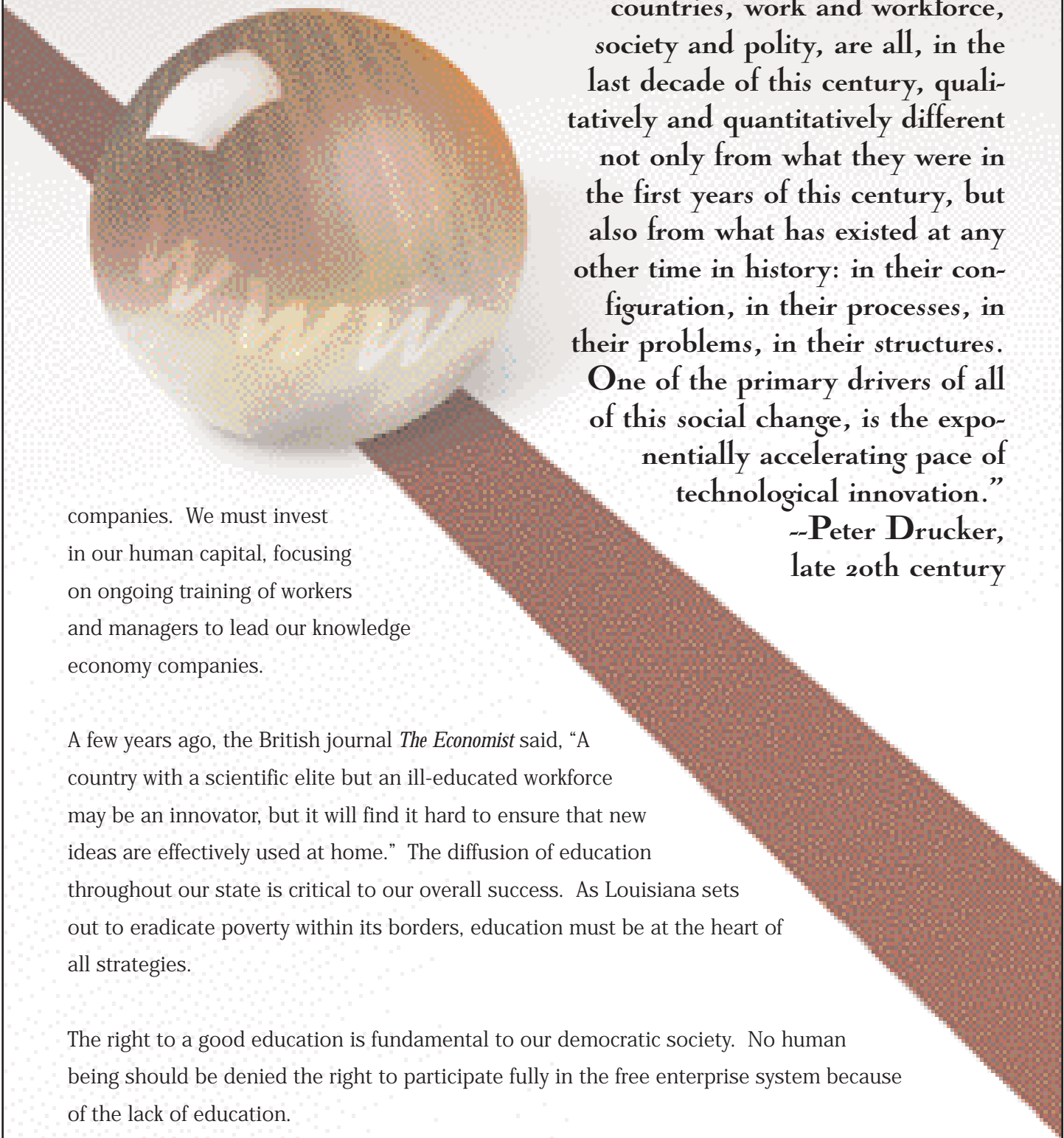
To be a **Learning Enterprise** in which **all** Louisiana businesses, institutions, and citizens are **actively** engaged in the pursuit of knowledge.

Education is the primary ingredient in **Louisiana: Vision 2020**. Our first goal calls for Louisiana to become a Learning Enterprise, an entity that values knowledge and treats the pursuit and utilization of that knowledge as its most important business.

In a Learning Enterprise, every Louisiana business, institution, and citizen has a job to do. For some the job will be learning to read, or learning to operate a particular piece of equipment, or learning a new set of job skills. For a small manufacturing business it may be modernization or learning how to organize a manufacturing network to compete more effectively and improve profitability. For a governmental agency it may be applying the lessons of private sector quality programs to the delivery of services in the public sector.

In a Learning Enterprise, every task performed is viewed as an opportunity to acquire and share knowledge. This commitment to the acquisition of knowledge manifests itself in the form of lifelong learning. No one is ever finished with the learning process. Every citizen will have the opportunity and the responsibility to continue learning throughout his or her lifetime whether the specific learning is to improve job performance, create a better employment opportunity, or simply enrich the quality of a life. Since everyone will be learning, everyone will be a role model.

The Louisiana of our future requires building and maintaining the best possible system of education at every level: Pre-K-12, technical schools, community colleges, and universities. Our workforce training programs must operate seamlessly with other education initiatives, and they must include a focus on training for jobs demanded by today's technology-intensive



“In the developed free-market countries, work and workforce, society and polity, are all, in the last decade of this century, qualitatively and quantitatively different not only from what they were in the first years of this century, but also from what has existed at any other time in history: in their configuration, in their processes, in their problems, in their structures. One of the primary drivers of all of this social change, is the exponentially accelerating pace of technological innovation.”

--Peter Drucker,  
late 20th century

companies. We must invest in our human capital, focusing on ongoing training of workers and managers to lead our knowledge economy companies.

A few years ago, the British journal *The Economist* said, “A country with a scientific elite but an ill-educated workforce may be an innovator, but it will find it hard to ensure that new ideas are effectively used at home.” The diffusion of education throughout our state is critical to our overall success. As Louisiana sets out to eradicate poverty within its borders, education must be at the heart of all strategies.

The right to a good education is fundamental to our democratic society. No human being should be denied the right to participate fully in the free enterprise system because of the lack of education.

## Goal Two: The Culture of Innovation

To build a thriving economy driven by **innovative**, entrepreneurial, and **globally competitive** companies that make productive use of **technology** and the state's human, educational, and **natural** resources.

**Goal Two** identifies innovation and technology as the driving forces behind the growth and diversification of our economy. The Southern Growth Policies Board defines innovation as “the application of new ideas to products and processes in pursuit of profits.” Southern Growth’s *2001 Report on the Future of the South, Invented Here: Transforming the Southern Economy*, states that “In the knowledge economy, the primary tools of the innovation process are technologies – the ideas, inventions, and know-how that make products and services more valuable.” It is innovation and new technologies that allow companies to increase profits, pay higher wages, and increase wealth in a region. It is innovation and technology that allows today’s companies to expand, thereby increasing the number of quality jobs in a region. Louisiana must find new ways to stimulate innovation, new technology development, and the commercialization of these technologies.

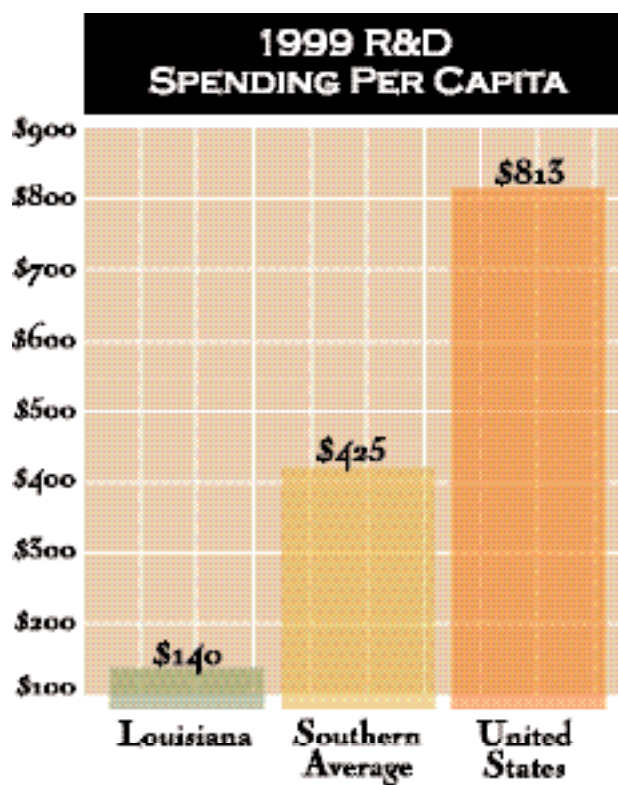
*Invented Here* identifies federal, university, and privately-performed research and development (R&D) “as one of the best indicators of a region’s capacity to innovate.” In particular, industrial R&D is directly tied to market

needs and competitive advantage. It is also the closest to commercialization, and accounts for 75 percent of all R&D conducted in the nation. Louisiana's share of industry-performed R&D has decreased substantially in the last 40 years, from just over one percent of the nation's R&D in 1963 to 0.06 percent in 2000. To stimulate innovation, Louisiana must find new ways to increase public (federal and university) and industry-performed R&D in the state.

Keys to the ability to successfully capture innovation and technology for productive use in the economy are intellectual capital, human capital, social capital, and financial capital. Intellectual capital leads to the ideas, technologies, and know-how used to create products and processes. Research and development in companies and at universities stimulates intellectual capital, and is highly correlated to an increase in innovation and technology development.

Louisiana should seek ways to further stimulate private sector R&D and commercialize technologies developed at Louisiana universities.

Two aspects of human capital are important: 1) employees, and 2) entrepreneurs. Employees include workers who must be trained and ready and able to learn on an ongoing basis as well as executive managers, who require special training and mentoring in order to create a talent pool of managers so important to our growing companies.



Source: National Science Foundation, *Science & Engineering State Profiles*. Southern Average generated for AL, AR, FL, GA, MS, NC, SC, TX.

Entrepreneurs take risks with new companies and/or technologies by moving out in new directions. Entrepreneurs create the vast majority of today's high growth firms, and since these firms account for the majority of new jobs, entrepreneurs are the job-creating engines in today's economy.

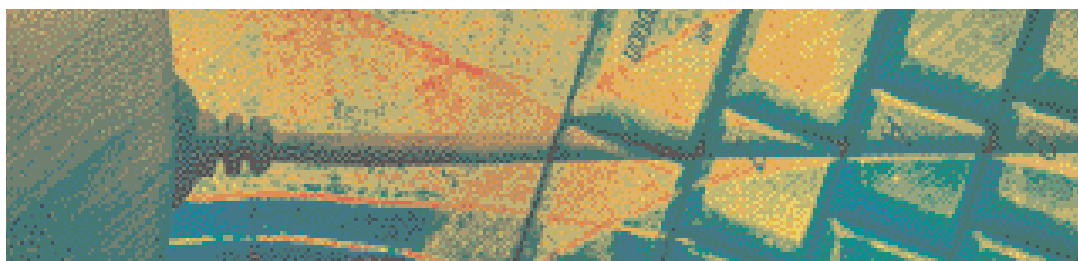
A culture that supports entrepreneurship is a culture that recognizes the benefits of the creation and growth of new companies, companies



that are globally competitive and generate jobs and wealth for the region. The National Commission on Entrepreneurship emphasizes that “a successful entrepreneurial community depends on a local business culture that embraces and nurtures entrepreneurs.” (*Building Companies, Building Communities: Entrepreneurs in the New Economy*, July 2000). Because entrepreneurs contribute so much to the generation of wealth, Louisiana must step out—do more to encourage entrepreneurship, embrace entrepreneurial successes, and accept failures as an inevitable part of the process and an opportunity to learn.

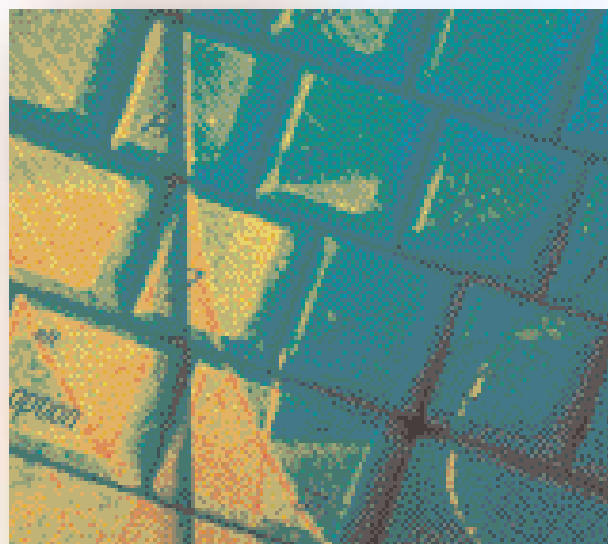


Financial capital is critical to the growth of all companies. Capital for early stage companies, as well as equity and debt capital to support growth must be available for entrepreneurs as well as existing companies. Professionally managed sources of risk capital often provide services such as helping companies identify potential growth avenues, recruiting executive talent, obtaining additional growth capital, and maintaining financial discipline. Louisiana must ensure that development and growth capital are available, so companies will be created and grown in Louisiana.



From the Research Triangle to Silicon Valley, every area of our nation that has experienced significant economic growth and diversification has done so on the strength of innovation and entrepreneurial successes. In the 20th century, the South was able to compete for the relocation of industries on the basis of lower taxes and lower labor costs. With the globalization of the economy, those gains have proven to be transient. By the end of the 20th century, we could no longer work cheaper -- to succeed we had to work smarter. In this century, working smarter is the only economic development strategy that matters.

**Louisiana:**  
**Vision 2020 is our**  
**o p p o r t u n i t y**  
**to create a better, more**  
**c o m p e t i t i v e**  
**Louisiana.**



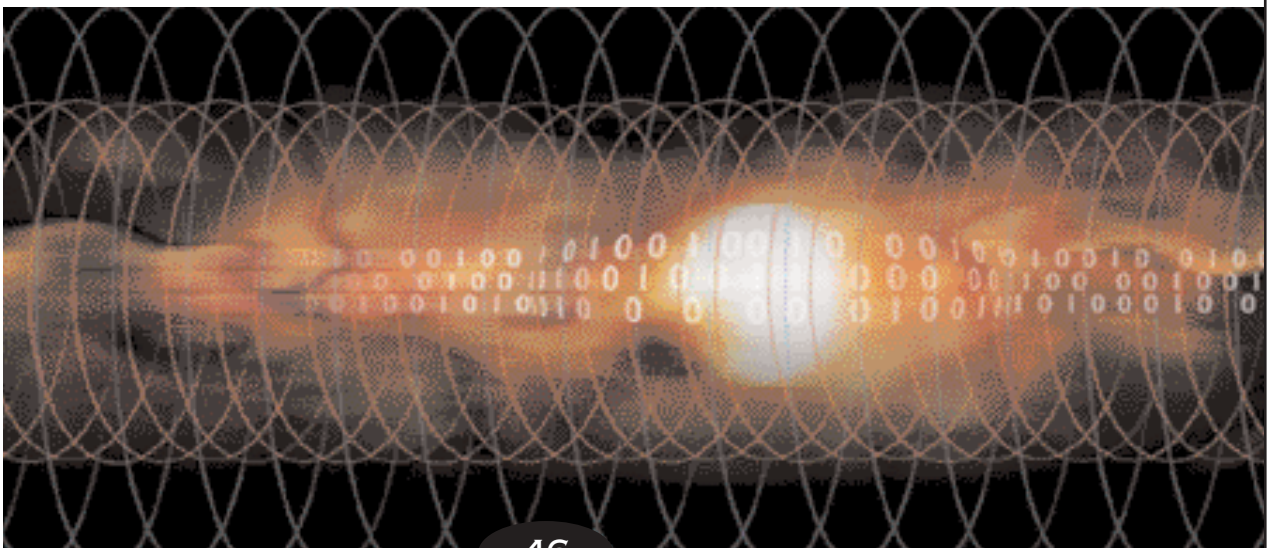


## LOUISIANA'S TARGETED CLUSTERS

Advanced Materials  
Agriculture & Food Products  
Entertainment  
Environmental Technologies  
Food Technologies  
Health Care  
Information Technologies  
Life Sciences

Micro- & Nano- Technologies  
Oil, Gas, & Energy Technologies  
Petrochemicals  
Shipbuilding & other Durable  
Goods Manufacturing  
Transportation & Logistics  
Tourism  
Wood, Lumber, & Paper

**Louisiana: Vision 2020** spurred a fundamental shift in our thinking about economic development. Southern states have traditionally used their low cost of doing business to attract branch plants, which stayed for a few years and often moved on to locations where it was cheaper to operate. Today, states have shifted from a sole reliance on recruitment to an added emphasis on retaining and facilitating further development of existing industry clusters, and energizing emerging clusters in which they have strengths. For Louisiana, this shift is ensuring that our existing clusters remain competitive and grow in today's changing economy. It is also concerned with expanding into the emerging cluster areas that can provide additional quality jobs for Louisiana citizens.



A study of the state's economy in 2000 to identify and characterize clusters found 15 existing and emerging clusters. The eight clusters of traditional industries included: oil, gas, and energy technologies; petrochemicals; ship building and other durable goods; tourism; transportation and logistics; health care; agriculture and food products; and wood, lumber and paper. Emerging clusters are those for which Louisiana has a small but growing base of firms and/or a strong university research base in a high growth industry. Emerging clusters can help diversify the state's economy. The seven emerging clusters identified include: information technologies; life sciences; environmental technologies; food technologies; advanced materials; micro- and nano-technologies; and entertainment.

This study and **Vision 2020** also recommended a major reorganization of the state's economic development agency to focus on retention, expansion, creation, and targeted attraction within the 15 identified clusters. In 2001, the state's economic development agency, now known as Louisiana Economic Development, was reorganized to focus on the selected clusters and provide the resources needed by companies trying to succeed in today's economy. As part of this reorganization, LED hired highly qualified professionals who are paid based on performance (outside of the state's civil service system) to further develop and grow our clusters.

**Goal Two** demands that Louisiana create an entrepreneurial culture that fosters globally competitive companies and provides high quality jobs for our citizens. It demands that Louisiana become a state whose tax structure and legal and regulatory climate are conducive to the creation and growth of technology-driven companies. It demands that we build the transportation and information infrastructures that will not only service business growth in Louisiana but will make Louisiana a leader in entrepreneurial endeavors.



### Goal Three: A Top Ten State

To achieve a **standard of living**  
among the **top ten** states in America

**Vision 2020** recognizes that the world is getting more stratified between communities, states, and nations *with* know-how and those without. That is why **Vision 2020** does not allow a fallback position; it does not consider mediocrity as an alternative. Goal Three says that Louisiana must have as its goal moving into the top ten states in the nation as a place to live, work, visit, and do business.

We have often bemoaned our low rankings in educational and economic performance. We have suffered the ridicule of pundits and competitors. Sometimes, we have complained that the criteria used in the rankings are unfair to us, that they do not consider our strengths.

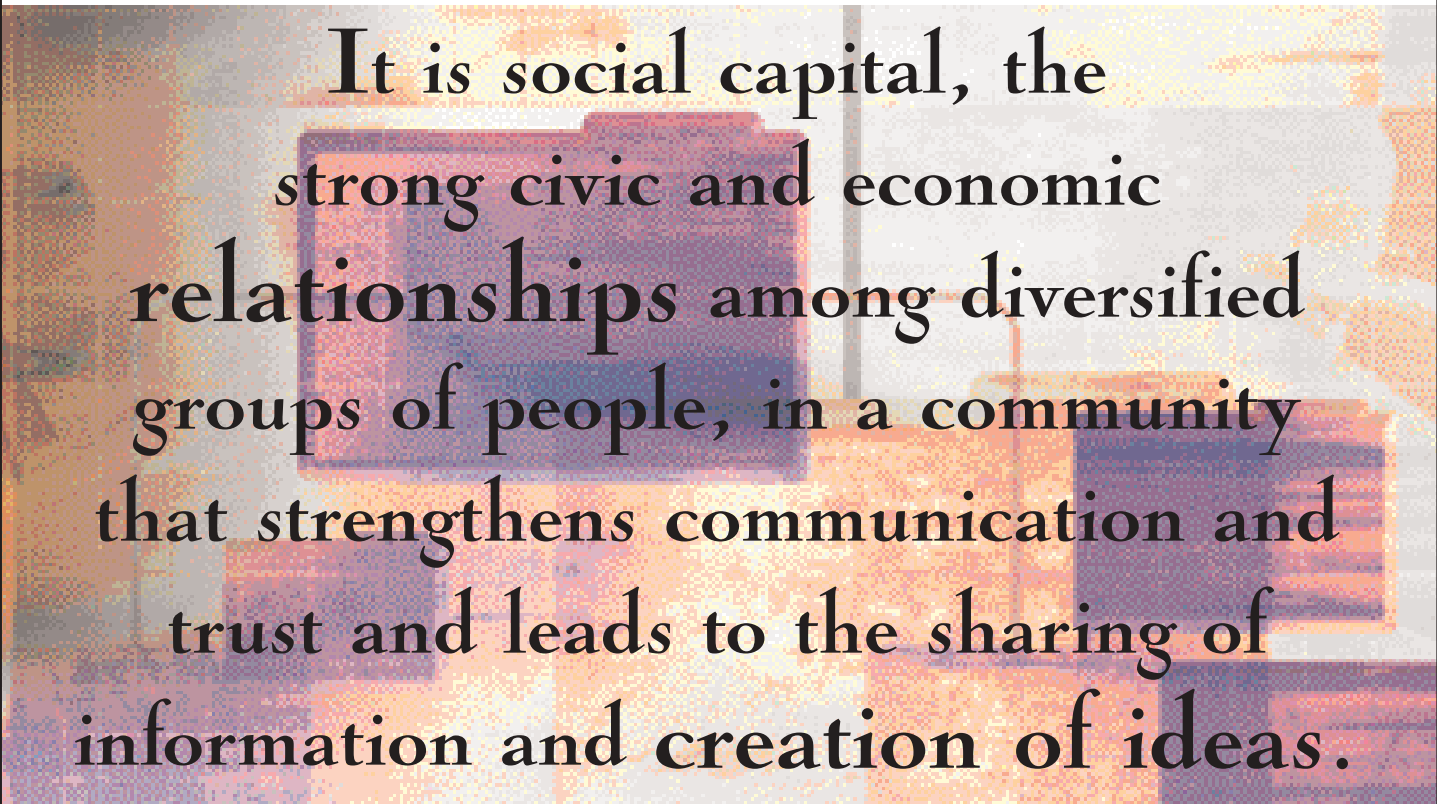
Now, we say that it doesn't matter, that we must become better anyway. Now, we say that there are no excuses.

**Goal Three** calls for higher personal income and better quality jobs in every region of the state. It demands safe communities, quality healthcare for all citizens, and a safe environment.

**Goal Three** also calls for decreased poverty levels in every region of the state and a special focus on our children, as they are the hope for the future. The issue of poverty and children in poverty is especially urgent,

as Louisiana will never be a top ten state unless it can break the cycle of poverty – an effort that will require energy, dollars, and creative ways to have an impact at the community level. Similarly, if **Vision 2020** is about Louisiana's future, then it is also about our children. **Vision 2020** can be successful only as far as it succeeds for our children.

**Goal Three** links the health of our citizens and the quality of our health care – as **Vision 2020** has done with education – to the attractiveness of our state for new businesses. Access to good primary and preventive health care for our citizens is a key component of workplace productivity and is also paramount in keeping health care costs down. The rising cost of health care is a major hurdle for businesses and state government, as this expense threatens to drain resources for other important investments.



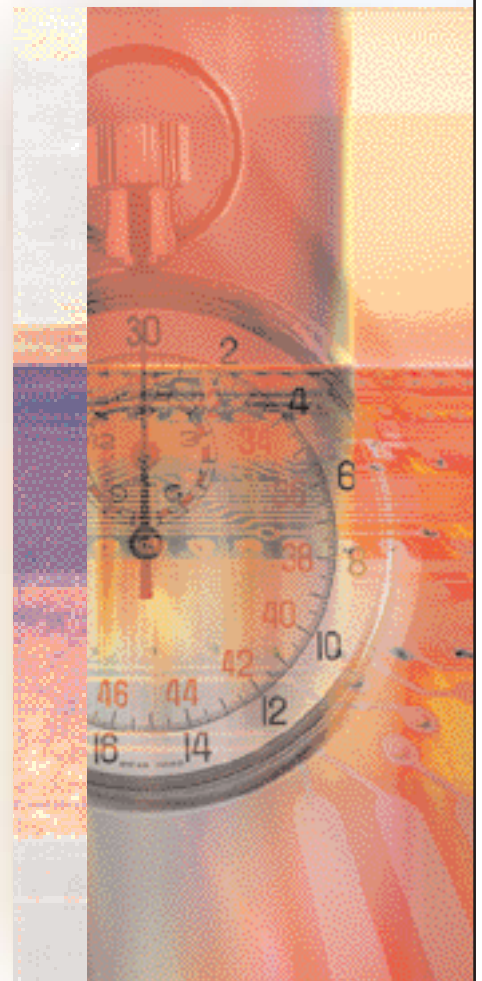
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It is social capital, the strong civic and economic relationships among diversified groups of people in a community, that strengthens communication and trust and leads to the sharing of information and creation of ideas. People who know each other as a result of belonging to the same organizations are more likely to trust each other, share ideas, and ensure that the community provides for the necessities and well-being of others.

These relationships provide a foundation to support the entrepreneurial culture that stimulates innovation and new company creation and forgives failures. We know that successful entrepreneurial economies are characterized by strong social capital.

Carnegie Mellon professor Richard Florida has written of the importance of the “creative class” – that extended family of scientists, engineers, artists, and writers who flock to certain kinds of engaged, diversified communities. A community with a strong creative class is a community with a future. Louisiana must focus on our communities and work to build social capital, in order to ensure healthier neighborhoods and a better environment for company growth.

Finally, **Goal Three** reminds us of our uniqueness and our strengths. Louisiana is unrivaled in the wealth of its cultural heritage. Our scenic, recreational, and cultural assets are the basis of a formidable tourism industry.





Tourism is important to us not only because of the number of Louisianans employed within the industry. When tourists visit Louisiana they bring dollars with them and leave substantial sums of those dollars behind. This means that every out-of-state tourist visiting Louisiana is making a direct contribution to wealth creation within the state. Tourism and conventions also bring in many company executives, providing links for business opportunities statewide. Employing innovative approaches such as rural tourism, we must continue to expand and improve our tourism initiatives.



The sequencing of goals in this document in no way implies that Goal Three is subordinate to Goals One and Two. What we all want, after all, is a good place to live and work.

**Louisiana: Vision 2020** provides us with the blueprint for achieving that lofty goal.

## Louisiana: Vision 2020 / A Platform for Innovative Behavior and Accountability



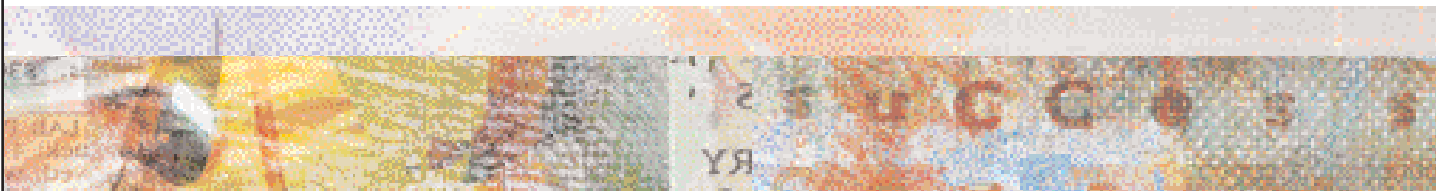
With the participation and approval of the Legislature, Louisiana is poised to take the next critical set of steps toward **Louisiana: Vision 2020**. The Louisiana Economic Development Council will continue to monitor benchmarks by which our progress will be measured. The Executive and Legislative branches are employing the power of performance based budgeting to empower new initiatives and hold agencies and programs accountable. **Louisiana: Vision 2020** calls for state leaders to make investments in future growth rather than expenditures for past failures.

This **Louisiana: Vision 2020, 2003 Update** includes an updated set of benchmarks through which the Economic Development Council will monitor progress toward the goals and objectives. Each benchmark has targets in five-year increments that can help policy makers plan for short-term steps to our goals. They also provide the public with a means of grading the state's performance. Benchmarks for this **2003 Update** will reside



on the Web (<http://vision2020.louisiana.gov>), so they are easily accessible by citizens and can be updated annually to show progress toward the targets.

**Louisiana: Vision 2020** has been and will continue to be implemented through annual action plans, which are the primary vehicles for articulating the innovative, aggressive, and targeted programs and incentives that are mandated by **Louisiana: Vision 2020**. Each plan includes a report of the Council's work and an update of the **Vision 2020** benchmarks – to provide ongoing accountability. Most importantly, each action plan includes a comprehensive set of recommendations, including strategies and action



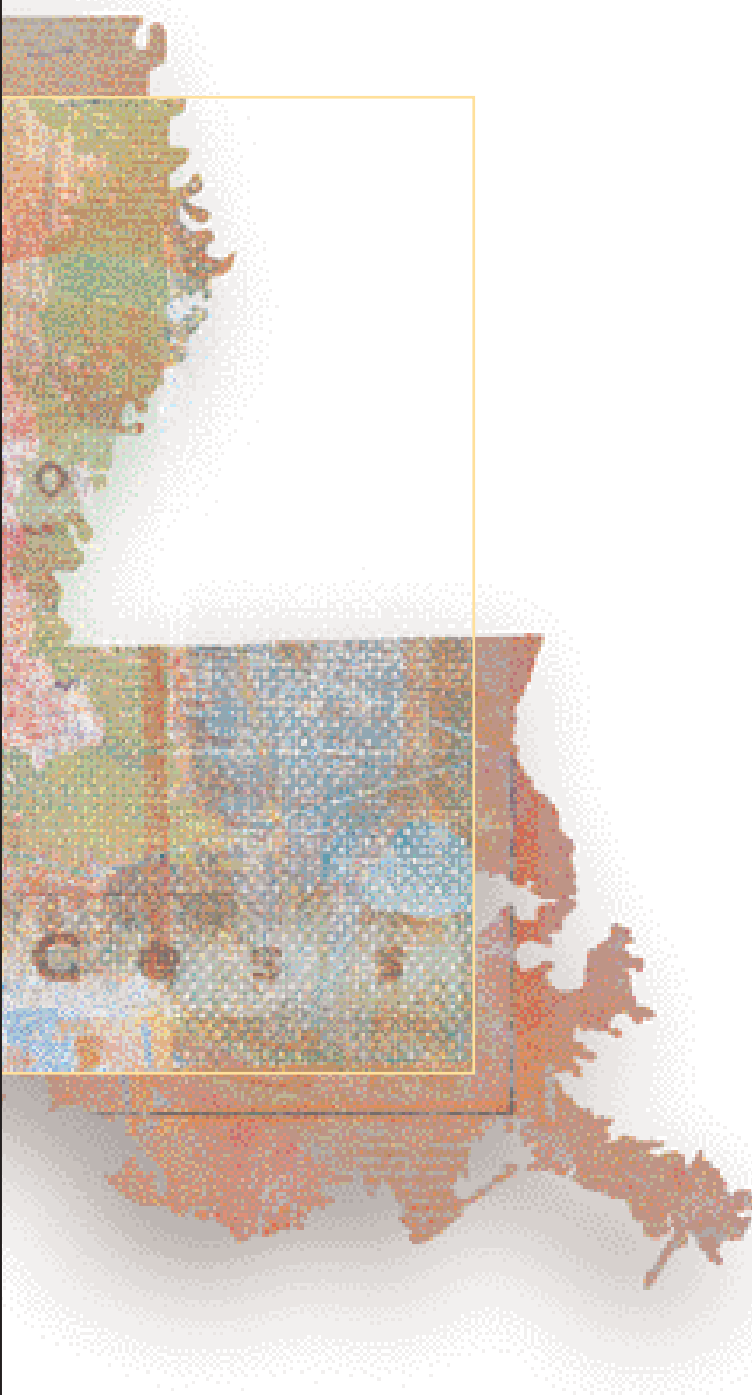
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plans for implementation in the next fiscal year that are benchmarked using measurable goals and objectives. Each year the action plan is submitted to the governor, legislators, and other statewide elected officials.

The cooperation of cabinet-level departmental leaders has been critical to the implementation of **Louisiana: Vision 2020**. Much of the responsibility for taking action steps to move Louisiana towards the goals envisioned in this plan falls on the departments of state government, individually and collectively. All departments are incorporating **Louisiana: Vision 2020** into agency operational plans.

To facilitate this process, the Cabinet Advisory Group (CAG), composed of key state elected and appointed officials, meets quarterly with the Louisiana Economic Development Council to provide advice, coordination, research, and other support for **Louisiana: Vision 2020** and the action plans produced every year.





The CAG also assists the Council in assuring that **Louisiana: Vision 2020** and the annual action plans are in harmony with the Executive Budget. Benchmarks developed by the Council should be aligned with performance measures used in the Executive Budget and the Appropriations Bill.

State agencies, educational institutions, businesses, and citizens must continue to use **Louisiana: Vision 2020** as a platform for innovative behavior. New ideas and new strategies are needed on an ongoing basis; opportunity abounds.

Louisiana has begun the process of reinventing itself, and we must stay the course, as there has never been a greater need to do so. We certainly know that we can do a better job of marketing the strengths we have currently. We also know that we are better than the image we project outside Louisiana. **Louisiana: Vision 2020** goes one giant step beyond reinventing Louisiana's image: it calls for reinventing our reality. As Alfred Lord Tennyson said, "Come my friends, it is not too late to seek a newer world."

**Louisiana: Vision 2020** is our opportunity to create a better, more competitive Louisiana.